

## 4. USER FEES AND OTHER COLLECTIONS

The Federal Government sometimes charges user fees to those who directly benefit from a particular activity. The term “user fee” is defined as fees, charged, and assessments levied on a class directly benefitting from, or subject to regulation by, a government program or activity, to be utilized solely to support the program or activity. In addition, the payers of the fee must be limited to those benefitting from, or subject to regulation by, the program or activity, and may not include the general public or a broad segment of the public. The user fee must be authorized for use only to fund the specified programs or activities for which they are charged, including directly associated agency functions, not for unrelated programs or activities and not for the broad purposes of the Government or an agency.

User fees include: collections from non-Federal sources for goods and services provided (such as the sale of postage stamps and electricity); voluntary payments to social insurance programs (such as Medicare Part B premiums); miscellaneous customs fees (such as United States Customs Service merchandise processing fees); and certain specific taxes and duties (such as collections for agricultural quarantine inspection).

The term “user fee” is not a separate budget category for collections. Depending primarily on whether the user charge is based on the Government’s sovereign power or business-type activity, it may be classified as a governmental receipt, or as an offsetting collection. User fees classified as governmental receipts are included along with the taxes and other governmental receipts discussed in the previous chapter. Those fees classified as offsetting collections are subtracted from gross outlays. The purpose of this treatment is to produce budget totals for receipts, outlays, and budget authority in terms of the amount of resources allocated governmentally, through collective political choice rather than through the market.

Offsetting collections are classified into two major categories: offsetting receipts, which are deposited in receipt accounts; and offsetting collections credited to appropriations (expenditure) accounts, which are deposited directly in these accounts and usually can be spent without further action by the Congress. Both categories include collections from other accounts within the Government as well as the public. While most offsetting receipts and collections result from business-like activity or are collected from other Government accounts, some result from the Government’s sovereign or governmental powers and would be classified as governmental receipts but are required by law to be treated as offsetting. Chapter 23, “Budget System and Concepts,” explains the budgetary treatment of these collections more fully.

Not all offsetting collections are user fees. User fees do not include collections from other Federal accounts; collections deposited in general fund receipt accounts; collections associated with credit programs; realizations upon loans and investments; interest, dividends, and other earnings; involuntary payments to social insurance programs; excise taxes; customs duties; fines, penalties, and forfeitures; cost sharing contributions; proceeds from asset sales (property, plant, and equipment); Outer Continental Shelf receipts; spectrum auction proceeds; and Federal Reserve earnings.

As shown in Table 4–1, total user fee collections (including those proposed in this budget) are estimated to be \$146.9 billion in 2000, rising to \$170.1 billion in 2004. User fee collections by the United States Postal Service, Medicare premiums, service charges on foreign military sales, the Tennessee Valley Authority and other power marketing agencies, and fees collected by the Department of Defense at commissaries, for housing, and for other miscellaneous activities are estimated to be nearly 80 percent of all existing user fee collections.

User fee collections are used to offset outlays in both the discretionary and mandatory categories of the budget. User fee collections are estimated to provide \$17.4 billion to offset discretionary spending. These offsets include both offsetting collections credited directly to appropriations accounts and collections credited to offsetting receipt accounts. The Administration is proposing to augment offsetting collections available for discretionary spending by making collections from Federal Aviation Administration (FAA) cost-based user fees and the new harbor services fee, approximately \$2.1 billion, available for discretionary spending.

Mandatory user fee collections are estimated to provide \$127.4 billion in 2000. Of this amount, approximately \$126.5 billion offsets mandatory outlays, while the remaining collections, from the Harbor Services fee, would be made available to offset discretionary spending.

A small portion of governmental receipts are considered to be user fee collections. In 2000, an estimated \$2.1 billion in governmental receipts are user fees. Of these fees, about 72 percent are part of the proposal that would make FAA’s cost-based user fees available to offset discretionary spending. The remaining fees in this category are made available to finance the regulatory program or activity for which they are charged through the appropriations process.

Table 4–3 provides more detail for offsetting receipts collected from the public and includes offsetting receipts collected from other accounts within the Government.

Table 4-1. TOTAL USER FEE COLLECTIONS

(In millions of dollars)

	1998 actual	Estimates						Total 1999-2004
		1999	2000	2001	2002	2003	2004	
<b>Governmental receipts:</b>								
Proposed FAA user fees to replace excise taxes <sup>1</sup> .....			1,496	1,579	1,455	1,341	1,214	7,085
Harbor maintenance and inland waterway fees <sup>2</sup> .....	622	588						588
Agricultural quarantine inspection fees .....	152	160	219	232	239	246	253	1,349
FEMA, flood map modernization .....			78	80	83	87	91	419
Other governmental receipt user fees .....	223	244	295	298	303	304	308	1,508
Total, governmental receipts .....	997	992	2,088	2,189	2,080	1,978	1,866	10,201
<b>Offsetting collections by function and category:</b>								
<b>Discretionary</b>								
National Defense, Housing and commissary fees paid by military personnel and other fees .....	7,594	7,313	7,253	7,255	7,239	7,239	7,239	43,538
Energy, Nuclear Regulatory Commission, Federal Energy Regulatory Commission and other fees .....	814	858	870	870	870	870	870	5,208
Science, Reimbursement for the use of NASA services .....	682	863	838	838	838	838	838	5,053
Commerce and Housing Credit, Patent and Trademark Office, Federal Communications Commission, Securities and Exchange Commission and other fees .....	1,754	1,703	1,931	1,914	1,906	1,893	1,829	11,176
Transportation, Panamal Canal and other fees .....	884	896	434	558	558	558	558	3,562
Health, Food and Drug Administration, Health Care Financing Administration, food safety and other fees .....	404	400	1,202	1,202	1,202	1,202	1,202	6,410
Veterans, medical care and other fees .....	700	641	765	929	1,146	1,153	1,179	5,813
Justice, Customs, bankruptcy and other fees .....	259	283	771	771	771	771	771	4,138
General Government, Bureau of Engraving and Printing, U.S. Mint and IRS fees ..	1,573	1,821	1,848	1,848	1,848	1,848	1,848	11,061
All other functions, discretionary .....	753	944	1,444	1,448	1,449	1,451	1,453	8,189
Total discretionary offsetting collections .....	15,417	15,722	17,356	17,633	17,827	17,823	17,787	104,148
<b>Mandatory</b>								
International, Service charges on foreign military sales .....	14,135	13,280	12,690	12,140	12,050	9,720	8,610	68,490
Energy, Tennessee Valley Authority and other power marketing fees .....	10,046	8,951	9,136	9,332	9,325	9,531	9,795	56,070
Natural resources and the environment:								
Harbor Services fees <sup>2</sup> .....		966	963	960	996	1,014	4,899	
Recreation and admission fees and other fees .....	649	629	651	661	697	706	724	4,068
Subtotal, Natural resources and environmental fees .....	649	629	1,617	1,624	1,657	1,702	1,738	8,967
Agriculture, Crop insurance premiums, inspection, grading and other fees .....	801	1,080	1,125	1,166	1,200	1,240	1,285	7,096
Commerce and Housing Credit:								
United States Postal Service .....	59,757	62,639	65,036	67,900	71,000	74,000	77,000	417,575
Deposit Insurance and other fees .....	900	698	834	944	1,075	1,353	1,690	6,594
Subtotal, Commerce and housing credit .....	60,657	63,337	65,870	68,844	72,075	75,353	78,713	424,192
Community development, Flood insurance and other fees .....	1,355	1,461	1,560	1,666	1,773	1,887	2,018	10,365
Health, Federal Employee Health Benefits and other fees .....	4,492	4,845	5,489	6,011	6,519	7,066	7,585	37,515
Medicare premiums .....	20,747	21,299	22,834	25,279	27,615	30,647	32,939	160,613
Income Maintenance, Pension Benefit Guaranty Corporation, Federal employees life insurance premiums .....	1,930	1,965	2,163	2,331	2,461	2,601	2,733	14,254
Veterans, Insurance premiums and other fees .....	1,739	1,706	1,683	1,643	1,603	1,566	1,525	9,726
Justice, Immigration, Customs and other justice fees .....	2,430	2,542	2,794	2,837	2,895	2,976	3,039	17,083
All other functions, mandatory .....	406	455	1,424	1,428	1,414	1,452	1,496	7,669
Total mandatory offsetting collections .....	119,387	121,550	127,419	133,338	139,627	144,745	150,439	817,118
<b>Total offsetting collections</b> .....	<b>134,804</b>	<b>137,272</b>	<b>144,775</b>	<b>150,971</b>	<b>157,454</b>	<b>162,568</b>	<b>168,226</b>	<b>921,266</b>
<b>Total, User fees</b> .....	<b>135,801</b>	<b>138,264</b>	<b>146,863</b>	<b>153,160</b>	<b>159,534</b>	<b>164,546</b>	<b>170,092</b>	<b>932,459</b>

<sup>1</sup> Gross revenue increase from proposed fees. Current aviation excise taxes, which are not user fees, will gradually be converted to cost-based user fees. While considered governmental receipts, the following proceeds from the fees, net of income tax offsets, would be made available to offset discretionary spending:

	1998	1999	2000	2001	2002	2003	2004	1999-04
FAA collections available for spending .....			1,122	1,184	1,091	1,007	910	5,314

<sup>2</sup> The Budget proposes to convert proceeds to offsetting collections. While the fee collection will be mandatory, proceeds from the fee will be made available to offset discretionary spending.

### Why User Fees?

- The term “user fee” refers to Government charges to those who use a Government good or service or are subject to Government regulation. For example:
  - Park entrance fees charged to visitors to national parks
  - Meat, poultry, and egg inspection fees
  - Tennessee Valley Authority proceeds from power sales
  - Proceeds from the lease of Department of Energy buildings and facilities
  - Flood insurance premiums
  - Sales of commemorative coins
- User fees are dedicated to funding part or all of the cost of providing the service or regulation by crediting them to a program account instead of to the general fund of the Treasury.
- User fees are designated as offsetting collections or receipts so that they offset the spending they are designated to fund.
- User fees are different from general revenue, because they are not collected from the general public or broad segments of the public (like income taxes) and they are not used for the general purposes of government (like national defense).
- Users are more willing to support and pay fees when they are dedicated to maintaining or improving the quality of the programs that affect them directly.
- Government program managers may be more diligent about collecting and spending fees when funding for their programs is dependent on fees, instead of guaranteed appropriations of general taxpayer money.
- Administration policy is to shift to user fee funding wherever appropriate. However, essential government services will continue to be supported by general fund appropriations from the Treasury as necessary.
- The Administration’s user fee proposals generally require authorizing legislation to authorize the fees first and appropriations action before the fees can actually be collected and spent. This is done to preserve the traditional roles of the authorizing and appropriations committees in Congress and to conform to the “scoring” conventions of the Budget Enforcement Act.

The Budget contains a variety of new and expanded user fee and other collections proposals that would yield \$4.2 billion in 2000 and \$25.8 billion from 2000 through 2004. These proposals establish, increase, or extend fees in order to recover more of the costs of providing government services. The proposals, would make the program funding levels at least partly dependent on the amount of fees actually collected. Therefore, in many

cases, resources available for the program could be greater or less than estimated. Table 4–2 splits the proposals between discretionary and mandatory categories for the appropriate scoring under the Budget Enforcement Act of 1997 (BEA). It includes user fees classified as offsetting collections and governmental receipts.

**Table 4–2. PROPOSED USER FEE COLLECTIONS**

(In millions of dollars)

Discretionary fee proposals	2000	2001	2002	2003	2004	2000–2004
<b>User Fee Proposals To Offset Discretionary Spending</b>						
<b>Offsetting collections deposited in appropriations accounts:</b>						
Department of Agriculture:						
Food Safety Inspection Service fees .....	504	504	504	504	504	2,520
Tobacco program support fees .....	60	60	60	60	60	300
Animal and Plant Health Inspection Service fees .....	9	9	9	9	9	45
Grain Inspection, Packers, and Stockyards fees .....	19	19	19	19	19	95
Forest Service timber sales preparation fees .....	20	20	20	20	20	100
Department of Commerce:						
National Oceanic and Atmospheric Administration Navigational assistance fees .....	14	14	14	14	14	70
Fisheries management fees .....	20	20	20	20	20	100
Patent and Trademark Office, indirect health and life insurance cost fee .....	20	20	20	20	20	100
International Trade Administration, trade promotion service fees .....	3	3	3	3	3	15
Department of Health and Human Services:						
Food and Drug Administration increased user fees .....	17	17	17	17	17	85
Health Care Financing Administration fee proposals:						
Physician, provider, and supplier enrollment registration fees .....	20	20	20	20	20	100
Managed care organization application and renewal fees .....	37	37	37	37	37	185
Initial provider certification fees .....	10	10	10	10	10	50
Provider recertification fees .....	55	55	55	55	55	275
Paper claims submission fees .....	55	110	110	110	110	495
Duplicate and unprocessable claims fees .....	18	36	36	36	36	162
Increase Medicare+Choice fees .....	50	50	50	50	50	250
Department of Justice:						
Increase Bankruptcy filing fee .....	28	28	28	28	28	140
Department of Labor:						
Alien Labor Certification fees .....	65	65	65	65	65	325
Employment Tax Credit fees .....	20	20	20	20	20	100
Department of Transportation:						
Coast Guard, navigational services fees .....	41	165	165	165	165	701

**Table 4-2. PROPOSED USER FEE COLLECTIONS—Continued**  
(In millions of dollars)

Discretionary fee proposals	2000	2001	2002	2003	2004	2000–2004
Hazardous Material Transportation safety fee .....	18	18	18	18	18	90
Surface Transportation Board fees .....	14	14	14	14	14	70
Department of the Treasury:						
Customs, air and sea passenger fee .....	312	312	312	312	312	1,560
Customs, access fee .....	163	163	163	163	163	815
Army Corps of Engineers:						
Regulatory program fees .....	7	7	7	7	7	35
National Transportation Safety Board:						
Commercial accident investigation fees .....	10	10	10	10	10	50
Subtotal, Offsetting collections deposited in appropriations accounts .....	1,608	1,806	1,806	1,806	1,806	8,833
<b>Offsetting collections deposited in receipt accounts:</b>						
Department of Transportation:						
Federal Railroad Administration, rail safety inspection fees .....	88	88	88	88	88	440
Department of Housing and Urban Development:						
Government Sponsored Enterprise (GSE) oversight fees .....	10	10	10	10	10	50
Environmental Protection Agency:						
Pre-Manufacture Notice (PMN) fee .....	4	8	8	8	8	36
Pesticide Registration Fees .....	16	16	16	16	16	80
Federal Communications Commission:						
Analog spectrum lease fee .....	200	200	200	200	200	1,000
Nuclear Regulatory Commission:						
Extend NRC user fees .....	300	300	300	300	300	1,500
Social Security Administration:						
Social Security Administration, claimant representative fees .....	19	19	19	19	19	95
Subtotal, offsetting collections deposited in receipt accounts .....	637	641	641	641	641	3,201
<b>Mandatory collections made available to offset discretionary spending:</b>						
Department of Transportation:						
Federal Aviation Administration, proposed user fees <sup>1</sup> .....	1,496	1,579	1,455	1,341	1,214	7,085
Army Corps of Engineers:						
Harbor Services Fees (Replacing Harbor Maintenance Tax <sup>2</sup> .....	337	296	245	231	248	1,357
Subtotal, mandatory collections available to offset discretionary .....	1,833	1,875	1,700	1,572	1,462	8,442
<b>Total, user fees to offset discretionary spending .....</b>	<b>4,078</b>	<b>4,322</b>	<b>4,147</b>	<b>4,019</b>	<b>3,909</b>	<b>20,476</b>
<b>User Fee Proposals to Offset Mandatory Spending</b>						
<b>Offsetting collections deposited in appropriations accounts:</b>						
Federal Deposit Insurance Corporation:						
FDIC State Bank exam fees .....	84	88	91	95	100	458
<b>Offsetting collections deposited in receipt accounts:</b>						
Department of Health and Human Services:						
Medicare Premiums .....	–135	275	482	560	686	1,868
Department of Agriculture:						
Forest Service, increased recreation and entrance fees .....			24	34	44	102
Department of the Interior:						
Increased recreation and entrance fees .....		68	70	72	210	
Filming and special use permits .....	3	3	4	4	5	19
Hardrock mining production fees .....		8	26	26	26	86
Department of Justice:						
Increase Immigration user fee .....	121	128	135	142	150	676
Department of the Treasury:						
Extend Customs conveyance and passenger fees .....					497	497
Extend Customs merchandise processing fees .....					1,025	1,025
Subtotal, offsetting collections deposited in receipt accounts .....	–11	414	739	836	2,505	4,483
<b>Total, user fee proposals to offset mandatory spending .....</b>	<b>73</b>	<b>502</b>	<b>830</b>	<b>931</b>	<b>2,605</b>	<b>4,941</b>
<b>Collections deposited to governmental receipt accounts:</b>						
Federal Emergency Management Agency:						
Mortgage transaction fees for flood plain certification <sup>3</sup> .....	75	76	77	78	80	386
<b>Total, user fee proposals</b>	<b>4,226</b>	<b>4,900</b>	<b>5,054</b>	<b>5,028</b>	<b>6,594</b>	<b>25,803</b>

<sup>1</sup> Gross revenue increase from proposed fees. Current aviation excise taxes, which are not user fees, will gradually be converted to cost-based user fees. While considered governmental receipts, the following proceeds from the fees, net of income tax offsets, would be made available to offset discretionary spending:

	1998	1999	2000	2001	2002	2003	2004	1999–04
FAA collections available for spending .....			1,122	1,184	1,091	1,007	910	5,314

<sup>2</sup> Collections shown for the Harbor Services user fee represent the increase in receipts over current law collections remaining after collections from exporters were halted.

<sup>3</sup> Represents the gross revenue. Approximately \$58 million would be available to spend in FY 2000.

**Discretionary offsetting collections:**

The following proposed fees are classified as discretionary because they would result from provisions in appropriations acts. In most cases, the Administration will propose authorizing legislation to establish, increase, or extend fees. However, the legislation will make both the fee collection and spending contingent on appropriations action, so that both can be scored as discretionary. The budget includes the appropriations language needed to trigger the fee collection. When the user fees are enacted, they will finance part or all of the cost of the affected programs in lieu of some amount of the general fund appropriation for the program. While the appropriations language proposed under current law includes the full amount of funding needed for the program, the trigger language would reduce that amount upon enactment of the fee authorization. (If general fund appropriations were not reduced, the total resources provided would exceed the funding requirements for the programs.)

*Collections from the following proposals are to be deposited directly in appropriations accounts:*

**DEPARTMENT OF AGRICULTURE**

*Food Safety and Inspection Service meat, poultry and egg inspection fee.*—The 2000 Budget proposes a new user fee for the Department of Agriculture's Food Safety and Inspection Service (FSIS). Under the proposed fee, the meat, poultry and egg industries would be required to reimburse the Federal government for the cost of the salaries and benefits and other direct costs for all in-plant inspection. The proposal would transfer the cost of Federal inspection services to the industries that directly benefit, and would ensure that sufficient resources are available to provide the level of in-plant inspection necessary to meet the demands of industry. The cost of the user fee would amount to less than one cent per pound of meat inspected.

*Tobacco program support fees.*—The 2000 Budget proposes to extend and increase the marketing assessment on price supported tobacco and on similar imported tobacco. The current assessment equal to 1 percent of the support price expires with the 1998 crop year. The assessment on domestic tobacco is equally divided between producers and purchasers, while importers pay the entire assessment on imported tobacco. The proposal would extend the assessment to 2000 and thereafter at a rate of about two percent of the support price. The current rate of 0.5 percent of the support price paid by producers would be continued, while purchasers and importers would be assessed at an increased rate. The assessment would raise revenues equivalent to the estimated costs incurred by the Agriculture Department's for activities that support the production and marketing of tobacco.

*Animal and Plant Health Inspection Service (APHIS).*—The budget proposes to establish fees to cover the cost of providing animal welfare inspections to recipients of APHIS services such as animal research

centers, humane societies, and kennels. Fees would also be established to cover the cost of issuing biotechnology certificates to firms that manufacture products derived through biotechnological innovation.

*Grain Inspection, Packers and Stockyards Administration (GIPSA) licensing fees.*—The budget proposes to charge the grain industry GIPSA's costs to review and maintain standards (such as grain quality and classification) used by the grain industry. In addition, an annual licensing fee is proposed to fund GIPSA activities that ensure the integrity of the livestock, meat and poultry market and marketplace, such as fostering open competition, and protecting consumers and businesses from unfair practices.

*Forest Service, timber sales preparation fee pilot.*—The Administration proposes to require timber companies to reimburse the Forest Service for the costs of timber sales preparation on National Forests. Timber purchasers would bear the direct costs for timber sales preparation (direct costs do not include legal and certain environmental planning costs) for commodity-oriented timber sales.

**DEPARTMENT OF COMMERCE**

*National Oceanic and Atmospheric Administration (NOAA), navigational assistance fees.*—The Administration proposes to levy a fee on U.S. and foreign commercial cargo carriers to recover the cost of navigational assistance services, such as nautical charting, provided by NOAA.

*Fisheries management fees.*—The budget proposes to levy a fee to recover a portion of the costs of providing fisheries management and enforcement services.

*Patent and Trademark Office indirect cost fees.*—The Administration proposes to increase Patent and Trademark Office fees to cover the costs associated with current PTO employees' post-retirement health and life insurance. Under current law, the FY 2000 program level is expected to impose \$20 million in future costs on the Federal Treasury. Collections from the fee increase would be transferred to the Office of Personnel Management.

*Trade promotion services fees.*—The Administration proposes to charge U.S. businesses for counseling and other promotional services provided by the International Trade Administration.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

*Food and Drug Administration (FDA) fees.*—The budget seeks \$17 million in new fees to finance FDA activities for the review of medical device applications, food additive petitions, and pre-market notifications for food contact substances. These fees will be used to augment current funding for these activities.

*Health Care Financing Administration (HCFA).*—These proposals would establish fees for a variety of activities associated with the Medicare Program, including:

*Physician, provider, and supplier enrollment registration fees.*—The Administration proposes to charge phy-

sicians, providers, and suppliers an initial enrollment fee and a renewal fee in order to participate in the Medicare program. Physicians would be required to re-enroll every 5 years. Durable medical equipment suppliers, hospitals, skilled nursing facilities, home health agencies, and all other providers would be required to re-enroll every 3 years. Proceeds from the fee would be used to offset Contractor funding related to enrollment costs.

*Managed care organization application and renewal fees.*—The Administration proposes to charge managed care organizations a fee to cover the cost of reviewing initial applications and renewing annual contracts with Medicare. Proceeds from this fee would be used to offset Federal Administration funding related to managed care organization applications and renewals.

*Initial provider certification fee.*—The Administration proposes to levy a fee on providers (e.g., home health agencies and skilled nursing facilities) who wish to enter the Medicare program. The fee would vary by type of provider. Proceeds from this fee would be used to offset survey and certification funding.

*Provider recertification fee.*—The Administration proposes to levy a fee on providers who are recertified for the Medicare program. By statute, skilled nursing facilities must be surveyed every year, home health agencies every three years, and other providers about once every ten years. The fee would be charged every year to spread the costs of the certification program over time. Proceeds from this fee would be used to offset survey and certification funding.

*Paper claims submission fee.*—The Administration proposes to charge providers \$1.00 for every paper claim submitted for payment because of the additional cost of processing paper rather than electronic claims. Rural providers and very small providers who may not be able to purchase the necessary hardware to comply with electronic claims transmission would be exempt from the fee. Proceeds from the fee would be used to offset Contractor funding related to claims processing.

*Duplicate and unprocessable claims fees.*—The Administration proposes to charge Medicare providers \$1.00 for each duplicate and unprocessable claim submitted for payment to the Health Care Financing Administration. Proceeds from the fee would be used to offset Contractor funding related to claims processing.

*Increase in the Medicare+Choice fee.*—The Administration proposes to increase the fee on Medicare+Choice plans by \$50 million in FY 2000. The fee was authorized at \$100 million in the Balanced Budget Act of 1997. This increase would be used to maintain the current level of effort in providing information to Medicare beneficiaries regarding the Medicare+Choice program.

#### DEPARTMENT OF JUSTICE

*Bankruptcy filing fee.*—The Administration proposes to increase the filing fee for cases filed under chapters 7 (liquidation) and 13 (wage earner repayment) of the Bankruptcy Code by \$25, from \$130 to \$155, with the increased collections to be used by the U.S. Trustee

Program. This would allow the program to continue to be funded entirely through bankruptcy fees. The U.S. trustees supervise the administration of bankruptcy cases and private trustees in the Federal Bankruptcy Courts. The program currently receives \$30 of the \$130 filing fee.

#### DEPARTMENT OF LABOR

*Alien labor certification fee.*—The proposal would establish a new fee, charged to businesses, for processing of alien labor certification applications by the Department of Labor. The fee proceeds would offset the costs of administering and enforcing the alien labor program, and provide reemployment and training assistance to U.S. workers who have been dislocated from their jobs.

*Employment tax credit fees.*—The proposal would establish a new fee, charged to businesses, for processing requests for certifications under the Work Opportunity Tax Credit and the Welfare-to-Work Tax Credit. These fees would be used to cover the State administrative costs of certifying the eligibility of new hires under these tax credits.

#### DEPARTMENT OF TRANSPORTATION

*Coast Guard, navigational assistance fee.*—The Administration proposes to levy a fee on U.S. and foreign commercial cargo carriers for the use of Coast Guard navigational assistance services. Navigational assistance services include the placement and maintenance of buoys and other short-range aids-to-navigation, radio navigation, and vessel traffic services. Fishing and recreational vessels would be exempt.

*Federal Railroad Administration, rail safety inspection fees.*—This proposed would offset the costs of the Federal Railroad Administration's safety inspection program. An estimated \$88 million in fees would be collected from railroad carriers based upon a calculation of their rail usage.

*Hazardous Materials Transportation Safety fees.*—Beginning late in 2000, hazardous materials transportation safety activities previously financed by general fund appropriations to the Research and Special Programs Administration are proposed to be financed instead by an increase in hazardous materials registration fees. Authorizing legislation will be proposed to increase the fees paid by shippers and carriers of hazardous materials by an estimated \$18 million in 2000 to fund these safety activities.

*Surface Transportation Board fees.*—The Administration proposes to create a fee mechanism to completely offset the expenses of the Surface Transportation Board (STB), the successor to the Interstate Commerce Commission (ICC). The fees would be collected from those who benefit from the continuation of the ICC functions transferred to the STB, i.e. railroads and shippers.

#### DEPARTMENT OF THE TREASURY

*Customs, air/sea passenger fee.*—The Administration proposes to increase an existing fee paid by travelers arriving by commercial aircraft and commercial vessels

from a place outside of the United States, and to remove certain exemptions from this fee. Proceeds of the fee increase would partially offset Customs costs associated with air and sea passenger processing. Subsequent to the budget, authorization legislation will be transmitted to allow the Secretary to increase the fee paid by air and sea passengers and to remove existing exemptions from this fee.

*Customs, automation enhancement fee.*—The Administration proposes to establish a fee for the use of Customs automated systems. The fee would be charged to users of any Customs automated system based on the amount of user data input. Proceeds of the fee would offset the costs of modernizing Customs automated commercial operations and an international trade data system, and would be available for obligation after FY 2000. Subsequent to the budget, authorization legislation will be transmitted to allow the Secretary to establish a fee for the use of Customs automated systems.

#### ARMY CORPS OF ENGINEERS

*Regulatory program fees.*—The Army Corps of Engineers has not changed the fee structure of its regulatory program since 1977. The Budget proposes to pursue reasonable changes that would reduce the fees paid from many applicants and increase recovery from commercial applicants.

#### NATIONAL TRANSPORTATION SAFETY BOARD

*Commercial accident investigation fees.*—To offset a portion of the NTSB's growing cost of commercial accident investigations, a new aviation accident recovery and investigation fee is proposed. This fee, which would be paid by commercial air, motor, ocean, and rail carriers based on a proxy for risk, would collect an estimated \$10 million in 2000.

*Collections from the following discretionary proposals be deposited in offsetting receipt accounts:*

#### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

*GSE Oversight Assessment Fee.*—This proposal would assess Fannie Mae and Freddie Mac for the cost incurred by HUD offices (other than the Office of Federal Housing Enterprise Oversight) from regulating the activities of these government-sponsored enterprises. The fee would offset the actual costs incurred by HUD.

#### ENVIRONMENTAL PROTECTION AGENCY

*Pesticide registration fees.*—The budget proposes to reinstate pesticide registration fees that are statutorily suspended through 2001. These fees would be used to offset the cost of reviewing applications for pesticide registrations, amendments to registrations, and experimental use permits.

*Chemical pre-manufacturing notification (PMN) fees.*—The Administration proposes to eliminate the statutory cap on PMN fees and to increase fees charged

to chemical producers to recover the cost of reviewing notifications of new chemicals prior to production.

#### FEDERAL COMMUNICATIONS COMMISSION

*Analog spectrum lease fee.*—The Administration proposes to set a lease fee on commercial television broadcasters' use of spectrum for analog broadcasting. The lease fee would raise \$200 million annually to fund programs in the Department of Justice, the Department of the Treasury, and the Department of the Interior to expand and upgrade public safety wireless communications.

#### NUCLEAR REGULATORY COMMISSION

*Nuclear Regulatory Commission.*—Under current law, the NRC must recover 100 percent of its costs from licensing, inspection, and annual fees charged to its applicants and licensees through 1999. Unless the law is extended, the fee covering requirement will revert to 33 percent of NRC's cost of operations. The Administration proposes to extend fees at approximately 100 percent of the NRC's cost of operations through 2004.

#### SOCIAL SECURITY ADMINISTRATION

*Claimant representation fee.*—The Budget proposes to impose a fee on persons who represent Supplemental Security Income claimants in administrative or judicial proceedings. This fee is designed to recover the cost of processing attorney fee agreements and determining the allowable charge under the fee petition process. This assessment would be imposed only if the claimant is awarded past due benefits and a fee for representation is approved by the Social Security Administration.

#### **Mandatory Receipts used to offset discretionary spending**

In some cases, the Administration is proposing to authorize collections that are not subject to action by the appropriators, while making those collections available to offset discretionary spending. The budget proposes authorizing legislation that will increase governmental or mandatory offsetting receipts. The savings from these proposals would be applied to discretionary spending.

#### DEPARTMENT OF TRANSPORTATION

*Federal Aviation Administration (FAA), cost based user fees.*—The Budget proposes to reduce the existing aviation excise taxes over time as more efficient, cost-based user fees for air traffic services are phased in beginning in 2000. Under this proposal, the collections each year from the new cost-based user fees and the existing excise taxes combined would be equal to the total budget resources requested for the FAA in each succeeding year. In FY 2000, this proposal would result in the collection of \$1.5 billion in additional aviation user charges. These charges will be deposited into a governmental receipt account and be made available for discretionary spending.

## ARMY CORPS OF ENGINEERS

*Harbor services fees.*—The Administration proposes to replace collection of the ad valorem Harbor Maintenance Tax with a cost-based user fee, the Harbor Services User Fee. The user fee will finance construction and operation and maintenance of harbor activities performed by the Army Corps of Engineers, the costs of operating and maintaining the Saint Lawrence Seaway, and the costs of administering the fee. Through appropriations acts, the fee will raise an average of \$980 million annually through FY 2004, which is less than would have been raised by the Harbor Maintenance Tax before the Supreme Court decision that the ad valorem tax on exports was unconstitutional. While the collections from the harbor services fee would be mandatory, collections would be available to offset discretionary spending.

**Mandatory Fee Proposals**

The following new and increased fees are classified as mandatory because they are proposed to be included in authorizing legislation and neither the collection or spending of the fee would be contingent upon appropriations action.

*Collections from the following proposal are to be deposited directly in appropriations accounts:*

## FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

*State bank examination fee.*—The Administration proposes to require the FDIC and the Federal Reserve to assess fees for examinations of bank holding companies and state-chartered FDIC-insured banks. The costs of such examinations are currently funded from deposit insurance premiums and Federal Reserve earnings from monetary policy activities. The FDIC fee proceeds would be used to finance the examination operation. The Federal Reserve collections do not meet the technical definition of a user fee, but will be reflected in higher governmental receipts, and are discussed in the preceding chapter on governmental receipts.

*Collections from the following proposals are to be deposited in receipt accounts:*

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

*Medicare premiums for retirees under the age of 65 and displaced workers.*—The Administration proposes to charge premiums based on an actuarially fair rate to people between the ages of 62 and 65 and displaced workers between 55 and 61 who elect to participate in the Medicare buy-in premium based program. This increase in premium collections is partially offset by the reduction in premium collections due to the Medicare savings proposals.

## DEPARTMENT OF THE INTERIOR AND AGRICULTURE

*Increased recreation and entrance fee.*—The Administration proposes to permanently extend the current pilot program which expires in 2001. The National Park Service, Fish and Wildlife Service, the Bureau of Land

Management, and the Forest Service would be allowed to collect increased recreation and entrance fees and use the receipts without further appropriation for facility improvements and new services. The Forest Service would also be authorized to use collections from existing fees for similar improvements and services.

*Hardrock mining production fees.*—The Administration proposes to charge mining companies a 5% fee on net smelter production from hard rock mining on Federal Lands.

*Filming and special use permits fee.*—The Administration proposes to authorize the National Park Service and other land management agencies, including the Department of Agriculture's Forest Service to increase fees for permits to use land and facilities for the making of motion pictures, television productions, still photos, sound tracks and other similar purposes. Collections would be available without further appropriations to cover related Government costs (as currently authorized) and provide a fair return to the Government.

## DEPARTMENT OF JUSTICE

*Immigration user fee.*—The Administration proposes to increase the fee for inspection of passengers at air and seaports by the Immigration and Naturalization Service (INS) by \$2.00 to \$8.00. The immigration user fee recovers the costs of INS' air and seaport inspection of passengers entering the United States and other activities authorized to be funded by the fee. The current fee of \$6.00 per passenger is insufficient to maintain fee operations. In addition, the Administration is proposing to charge \$3.00 for the inspection of commercial vessel passengers whose journey originated in Mexico, Canada, the United States or its territories and possession or any adjacent island. This inspection fee would be expanded to cover cruise ship passengers who, in the past, have been exempt from any inspection fee.

## DEPARTMENT OF THE TREASURY

*Extend Customs conveyance and passenger and merchandise processing fees.*—Under existing legislation, the Customs Conveyance/Passenger Fee and the Merchandise Processing Fee will expire on September 30, 2003. The Administration proposes to extend both of these fees starting on October 1, 2003.

*The following proposal is classified as mandatory because it will be included in authorizing legislation, and their collection will not be contingent on appropriations language. Collections are recorded as governmental receipts, not as an offset to outlays.*

## FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

*Mortgage transaction fees for flood hazard determination.*—The Administration proposes to establish a \$15 on all fee mortgage originations and refinancings to support a multi-year program to update and modernize FEMA's inventory of flood plain maps (100,000 maps). Accurate and easy to use flood hazard maps are essential in determining if a property is located in a flood



plain. The maps allow lenders to meet their statutory obligation of requiring the risk-prone homes they insure to carry flood insurance, and allow homeowners to assess their risk of flood damage. These maps are the

basis for developing appropriate risk-based flood insurance premium charges, and improved maps will result in a more actuarially sound insurance program.

#### **OFFSETTING RECEIPTS**

Table 4-3 itemizes all offsetting collections deposited in receipt accounts. These include payments from one part of the Government to another, called intra-governmental transactions, and collections from the public.

These receipts are offset (deducted) from outlays in the Federal budget. In total, offsetting receipts are estimated at \$371.3 billion in 2000.

Table 4-3. OFFSETTING RECEIPTS BY TYPE

(In millions of dollars)

Source	1998 Actual	Estimate					
		1999	2000	2001	2002	2003	2004
<b>INTRAGOVERNMENTAL TRANSACTIONS</b>							
<b>On-budget receipts:</b>							
Federal intrafund transactions:							
Distributed by agency:							
Interest from the Federal Financing Bank .....	4,141	2,736	2,352	2,153	1,996	1,845	1,859
Interest on Government capital in enterprises .....	1,758	1,443	1,371	1,217	1,093	995	916
Other .....	4,157	1,656	1,716	1,810	1,908	2,024	2,130
Proposed Legislation (non-PAYGO) .....			50	50	50	50	50
Total Federal intrafunds .....	10,056	5,835	5,489	5,230	5,047	4,914	4,955
Trust intrafund transactions:							
Distributed by agency:							
Payments to railroad retirement .....	3,819	3,712	3,630	3,528	3,638	3,640	3,636
Other .....		1	1	1	1	1	1
Total trust intrafunds .....	3,819	3,713	3,631	3,529	3,639	3,641	3,637
Total intrafund transactions .....	13,875	9,548	9,120	8,759	8,686	8,555	8,592
Interfund transactions:							
Distributed by agency:							
Federal fund payments to trust funds:							
Contributions to insurance programs:							
Military retirement fund .....	15,119	15,250	15,900	16,500	17,200	17,800	18,600
Supplementary medical insurance .....	59,919	61,879	68,690	75,479	82,157	89,322	95,276
Proposed Legislation (non-PAYGO) .....			-469	-648	-713	-775	-728
Hospital insurance .....	5,259	7,056	7,091	7,232	7,638	8,088	8,551
Railroad social security equivalent fund .....	58	94	74	74	75	77	78
Rail industry pension fund .....	196	195	201	204	207	211	216
Civilian supplementary retirement contributions .....	21,654	21,952	22,117	22,317	22,559	22,977	23,357
Unemployment insurance .....	508	473	496	571	574	570	584
Other contributions .....	383	416	407	408	411	412	420
Proposed Legislation (PAYGO) .....			42				
Miscellaneous payments .....	568	581	429	436	437	413	405
Subtotal .....	103,664	107,896	114,978	122,573	130,545	139,095	146,759
Trust fund payments to Federal funds:							
Quinquennial adjustment for military service credits .....				1,121			
Other .....	1,123	1,062	1,052	1,076	1,103	1,131	1,160
Proposed Legislation (non-PAYGO) .....			1,847				
Subtotal .....	1,123	1,062	2,899	2,197	1,103	1,131	1,160
Total interfunds distributed by agency .....	104,787	108,958	117,877	124,770	131,648	140,226	147,919
Undistributed by agency:							
Employer share, employee retirement (on-budget):							
Civil service retirement and disability insurance .....	8,682	8,817	9,163	9,657	10,073	10,152	10,704
CSRD from Postal Service .....	6,109	6,071	6,274	6,451	6,620	6,760	6,849
Hospital insurance (contribution as employer) <sup>1</sup> .....	1,892	1,957	2,046	2,112	2,223	2,327	2,440
Postal employer contributions to FHI .....	607	610	638	663	690	718	747
Military retirement fund .....	10,421	10,534	10,740	10,981	11,268	11,585	11,969
Legislative proposal, discretionary offset .....			849	1,058	1,159	1,231	1,270
Other Federal employees retirement .....	109	114	120	125	131	134	139
Total employer share, employee retirement (on-budget) .....	27,820	28,103	29,830	31,047	32,164	32,907	34,118
Interest received by on-budget trust funds .....	67,208	67,160	68,454	69,545	70,826	72,229	73,441
Proposed Legislation (non-PAYGO) .....		73	157	251	369	458	529
Legislative proposal, discretionary offset .....				93	195	296	396
Total interfund transactions undistributed by agency .....	95,028	95,336	98,441	100,936	103,554	105,890	108,484
Total interfund transactions .....	199,815	204,294	216,318	225,706	235,202	246,116	256,403

Table 4-3. OFFSETTING RECEIPTS BY TYPE—Continued

(In millions of dollars)

Source	1998 Actual	Estimate					
		1999	2000	2001	2002	2003	2004
Total on-budget receipts .....	213,690	213,842	225,438	234,465	243,888	254,671	264,995
<b>Off-budget receipts:</b>							
Interfund transactions:							
Distributed by agency:							
Federal fund payments to trust funds:							
Old-age, survivors, and disability insurance .....	9,140	11,278	10,340	10,818	11,383	12,033	12,785
Undistributed by agency:							
Employer share, employee retirement (off-budget) .....	7,052	7,355	7,969	8,442	9,102	9,746	10,442
Proposed Legislation (non-PAYGO) .....			-264	-271	-261	-260	-261
Interest received by off-budget trust funds .....	46,629	51,869	56,492	62,107	68,500	75,448	82,749
Total off-budget receipts: .....	62,821	70,502	74,537	81,096	88,724	96,967	105,715
<b>Total intragovernmental transactions .....</b>	<b>276,511</b>	<b>284,344</b>	<b>299,975</b>	<b>315,561</b>	<b>332,612</b>	<b>351,638</b>	<b>370,710</b>
<b>PROPRIETARY RECEIPTS FROM THE PUBLIC</b>							
<b>Distributed by agency:</b>							
Interest:							
Interest on foreign loans and deferred foreign collections .....	799	768	638	684	641	706	695
Interest on deposits in tax and loan accounts .....	1,228	1,050	1,115	1,105	1,105	1,105	1,105
Other interest (domestic—civil) <sup>2</sup> .....	6,036	7,142	8,149	9,193	10,231	11,264	12,234
Total interest .....	8,063	8,960	9,902	10,982	11,977	13,075	14,034
Royalties and rents .....	1,248	1,324	1,368	1,378	1,399	1,420	1,433
Proposed Legislation (PAYGO) .....				8	26	26	26
Sale of products:							
Sale of timber and other natural land products .....	461	466	487	466	450	434	433
Sale of minerals and mineral products .....	237	31	35	35	49	49	20
Sale of power and other utilities .....	754	733	680	771	766	762	752
Other .....	28	61	59	51	67	63	54
Total sale of products .....	1,480	1,291	1,261	1,323	1,332	1,308	1,259
Fees and other charges for services and special benefits:							
Medicare premiums and other charges (trust funds) .....	20,747	21,299	22,969	25,004	27,127	30,085	32,252
Proposed Legislation (PAYGO) .....			-135	275	488	562	687
Nuclear waste disposal revenues .....	600	642	632	632	631	632	632
Veterans life insurance (trust funds) .....	217	207	196	184	171	159	147
Other <sup>2</sup> .....	2,279	1,909	1,890	1,894	1,825	1,831	1,840
Proposed Legislation (non-PAYGO) .....			19	19	19	19	19
Proposed Legislation (PAYGO) .....			3	3	95	107	120
Legislative proposal, discretionary offset .....			966	963	960	996	1,014
Total fees and other charges .....	23,843	24,057	26,540	28,974	31,316	34,391	36,711
Sale of Government property:							
Sale of land and other real property .....	58	34	85	70	571	71	70
Proposed Legislation (PAYGO) .....			2	4	11	11	11
Military assistance program sales (trust funds) .....	14,135	13,280	12,690	12,140	12,050	9,720	8,610
Other .....	146	541	346	177	177	143	83
Total sale of Government property .....	14,339	13,855	13,123	12,391	12,809	9,945	8,774
Realization upon loans and investments:							
Dollar repayments of loans, Agency for International Development .....	1						
Foreign military credit sales .....	534	371					
Negative subsidies and downward reestimates .....	4,300	8,296	933	691	2,491	2,577	2,814
Repayment of loans to foreign nations .....	134	285	251	252	134	72	80
Other .....	153	76	78	82	131	111	108
Total realization upon loans and investments .....	5,122	9,028	1,262	1,025	2,756	2,760	3,002
Recoveries and refunds <sup>2</sup> .....	3,375	3,844	3,977	4,244	5,416	4,350	4,443
Proposed Legislation (PAYGO) .....		142	168	300	349	276	194
Legislative proposal, discretionary offset .....			788				

Table 4-3. OFFSETTING RECEIPTS BY TYPE—Continued

(In millions of dollars)

Source	1998 Actual	Estimate					
		1999	2000	2001	2002	2003	2004
Miscellaneous receipt accounts <sup>2</sup> .....	2,493	4,730	1,375	1,380	1,379	1,380	1,379
Total proprietary receipts from the public distributed by agency .....	59,963	67,231	59,764	62,005	68,759	68,931	71,255
<b>Undistributed by agency:</b>							
Other interest: Interest received from Outer Continental Shelf escrow account .....	3	1,264	9	.....	.....	.....	.....
Rents and royalties on the Outer Continental Shelf:							
Rents and bonuses .....	1,500	846	327	324	248	194	194
Royalties .....	3,022	2,277	2,452	2,474	2,558	2,479	2,414
Sale of major assets .....	5,158	.....	323	.....	.....	.....	.....
Total proprietary receipts from the public undistributed by agency .....	9,683	4,387	3,111	2,798	2,806	2,673	2,608
<b>Total proprietary receipts from the public <sup>3</sup> .....</b>	<b>69,646</b>	<b>71,618</b>	<b>62,875</b>	<b>64,803</b>	<b>71,565</b>	<b>71,604</b>	<b>73,863</b>
<b>OFFSETTING GOVERNMENTAL RECEIPTS</b>							
<b>Distributed by agency:</b>							
Regulatory fees .....	2,861	3,164	3,360	3,395	3,360	3,437	1,975
Proposed Legislation (non-PAYGO) .....	.....	.....	20	20	20	20	20
Proposed Legislation (PAYGO) .....	.....	.....	.....	.....	.....	.....	1,522
Other .....	73	75	77	79	81	6	6
<b>Undistributed by agency:</b>							
Spectrum auction proceeds .....	2,642	1,447	4,819	2,801	7,065	1,770	775
Proposed Legislation (non-PAYGO) .....	.....	.....	200	200	200	200	200
Total offsetting governmental receipts .....	5,576	4,686	8,476	6,495	10,726	5,433	4,498
<b>Total offsetting receipts .....</b>	<b>351,733</b>	<b>360,648</b>	<b>371,326</b>	<b>386,859</b>	<b>414,903</b>	<b>428,675</b>	<b>449,071</b>

<sup>1</sup> Includes provision for covered Federal civilian employees and military personnel.<sup>2</sup> Includes both Federal funds and trust funds.<sup>3</sup> Consists of:

	1998 Actual	Estimate					
		1999	2000	2001	2002	2003	2004
On-budget:							
Federal funds .....	33,181	32,184	26,053	26,150	30,726	30,097	31,204
Trust funds .....	36,445	39,414	36,783	38,614	40,800	41,468	42,620
Off-budget	20	20	39	39	39	39	39